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S P E E C H

OF

MR. HENRY GRIDER, OF KENTUCKY,

1796 - 1866

ON THE

SUB-TREASURY BILL.

Delivered in the House of Representatives U. S., April 1st, 1846.

WASHINGTON:

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S P E E C H.

The House having under consideration the Subtreasury Bill—

MR. GRIDER was entitled to the floor, and addressed the committee in opposition to the bill. He proposed (he said) to submit a few remarks to show the impolicy of this measure, and the evil consequences which are to result from its passage. We have heard already something interesting on this subject on both sides of the question, and are indebted to the gentleman from Tennessee, (Mr. M. BROWN,) who addressed the committee yesterday, for not a few striking and forcible reasons why this bill ought not to pass. Mr. HOLMES, of South Carolina, who has addressed the chair in favor of the bill, placed the whole merits of the question on one proposition—that *this measure* would, in its effects, check the over-issue of State banks, and thereby prohibit a too extended paper currency over the country. So far as I heard the gentleman, I do not remember that he placed the support of the bill on any other proposition. The gentleman is, I think, mistaken as to its practical effects. I see no danger of over issues at present; the State governments are presumed to have regulated this subject, and do not invite the passage of this bill or the influence of the Federal Government. Will it not rather produce two currencies in the country—a specie currency and a depreciated State bank paper; and between these two interests produce a perpetual strife—an unceasing war—that shall never end until one or the other is exterminated—or until all bank paper currency is, by a continued effort on the part of the Government, brought into disrepute, and the golden days of an exclusively metallic currency is ushered in according to the doctrines of our present Secretary? The gentleman from South Carolina, in his liberality and candor, admits that the public moneys would be as safe under the control and agency of *banks* as it would be in the care of individuals. This, to my mind, is yielding the question, and giving up every plausible ground for its support. Nothing else, I should think, could commend this measure to the sober, discreet, and sound judgment of those who legislate for the People and the Government, and not to subserve or carry out the pledges of a party. The question we are considering is how shall the moneys of the *People* and this *Government* be received, kept, and disbursed, with the greatest safety and at the least expense.

The gentleman from Pennsylvania (C. J. INGERSOLL) could see nothing in this bill but what was desirable—nothing objectionable. He thought the bill ought to pass as a matter of form. It was only a supplement to the act of 1789 creating the Treasury Department! The gentleman supposes no remonstrance ought to be heard—no opposition given to the passage of this bill, by those who represent the people upon this great question, this vital interest, *the currency*. He can see nothing that has a party aspect in the bill!! Well, sir, I am always proud to discover that, on measures of general and acknowledged importance, gentlemen discard party considerations and party results, and see them look at the policy of their measures in their tendencies and effects upon the whole community, without any

party distinction whatever, and not with a view to party results and party pledges. Such ought to be the basis of our legislation, and I presume is admitted to be the only true basis of wise legislation. But, sir, I put it to you to know if this is the case? Was not this sufficiently demonstrated yesterday? The gentleman has been attempting to use soft words—disguise this bill, and cover over the prompting motives for the introduction of this measure at this day! Sir, our currency is reasonably good; possibly it would remain so if the banks that are now sound were left to themselves. We might retain a currency "*convertible into specie on demand!*" This is such a currency as the people want and ought to have. This is the *test* of the best currency for the United States. The amount to be used by us in safety can always be ascertained by this standard. But, sir, pass this Subtreasury to run against your State banks in the collection and use of specie—reduce your tariff—let the balance of exports and imports be against us—the specie drawn off to meet those balances, and your State banks can't stand the shock, nor provide against it without contracting and collecting, so as to oppress the country and be useless to themselves in their own operations.

Mr. Chairman, this bill has had the labor and supervision of the distinguished, courteous, and talented gentleman from Virginia, (Mr. DROM-GOOLE.) But, sir, no ability or speciousness can mask the true object, the objectionable features, of the bill. It is the Subtreasury—the object, the intent is the same now which was looked to by the friends of this measure heretofore when it passed. The consequences, I presume, will be the same, and I trust the country will rebuke its friends, and, as it has done again and again, reject this measure so *unnecessary*, so *uncalled for*, and so *mischiefous!* Mr. Chairman, there was no necessity for the introduction of this bill, except so far as gentlemen felt bound to redeem their party pledges. This experiment has been once partially tried—no good resulted from it to the country. I do not apprehend that it is now to be passed because of its intrinsic merits, but *now*, as it was *before*, as the last resort in a series of reckless financial experiments—although our whole history and the experience of the past invited a return so forcibly to that financial agency which had so long and so successfully met all the wants of the Government and the People.

The United States bank having been put down, and the State bank deposite system having exploded in the hands of its friends, they turned, with desponding hope, to this scheme, which they had previously *denounced* and rejected! Now, I ask, after the United States bank was put down, and the State banks proved unsafe depositaries of the public money, for reasons to be assigned presently, when the system deceived its friends, and operated prejudicial to the country, why, I ask, turn to the Subtreasury scheme? Had it ever been tried as applicable to our Government and our people? Never. What was the light of experience, and the dictate of reason? What, sir, the pathway of wisdom? Why, certainly, to turn again, if guided by an honest purpose, and not party impulses, to that financial agent which had for years *received* and *kept* and *disbursed* the public money in perfect safety, without the loss of one single dollar. This fact is adduced from the financial history of the country, and stands uncontradicted. No gentleman, no matter what may be his party bias, or the inclination of his

mind, as to this bill, if he exercises the feeling of self-respect and common sincerity, can deny the assertion! Well, sir, we ought to be governed by experience, and learn wisdom from the past, or else we shall always be travelling in untried paths, be wayward in our legislation, and cause the public and private interest upon which we are operating to be as uncertain as the winds, and frequently disastrous. But no, sir; none of these things can operate upon us. This bill is to be passed, for no particular love of the measure, but from necessity, to redeem the pledges of a party. Look to the Baltimore Convention! Met, sir, to nominate a President, but assuming, uninvited, to settle the policy and the legislation of this country. There, sir, if we are to have a key to our legislation, you may find in the oracular responses of that Convention what Congress may do or may not do upon this great question of *the currency*, that enters into and constitutes a part—whether great or small, private or public—of every possible interest. Yes, sir, the resolve is made; and the President of the United States has endorsed the resolution, and quoted it in his message to Congress:

"The separation of the moneys of the Government from banking institutions is indispensable for the safety of the funds of the Government and the rights of the people."

Such is the resolution and such the message of the President. With this *dictum* and this *endorsement*, I have little reason to hope that this bill will be rejected; but still, I wish to continue my remarks a few minutes longer. I confess, in proceeding, I feel some embarrassment. I hope I may say, in all good humor, I do not know exactly to which branch of the Democracy in the committee (not speaking of the Senate or of the country) to address myself. We have in this committee such a variety of Democrats. We have the "masterly inactivity" democrats and progressive democrats—the Northern democrats and Southern democrats—the free trade democracy and protective democracy—the young democracy and old democracy—and the hard-money democrats and *bank* democrats. In view of all this, none can doubt that there is something rather embarrassing and peculiar in the attitude I occupy; but, sir, I fear even the *bank* democrats, to a man, will meet the expectations of the Convention and the recommendation of the Executive, and sustain the hard-money bill, made not for the people, but for the Government. But I proceed, by adverting to the history of our past financial arrangements a little more direct.

In 1789 there was an act passed creating "*the Treasury Department*," and providing a *Treasurer*. He was to receive and keep the moneys of the United States. We are just in that position now; and the Treasurer, who is responsible to the country and the Government, deposites, at his own discretion, the moneys for which he is responsible, with individuals or with banks, as the convenience and safety of the case may require. From 1789 up to 1791 this same state of fact existed. Then there was no United States bank; and the *Treasurer*, the head of the *Treasury Department*, in the performance of his plain duty, and under the dictates of wisdom and prudence, deposited the public money in the State banks that then existed, rather than scatter it among subtreasurers; or, in other words, commit it to individual agency, an agency to be multiplied, I fear, under the policy of this bill, to numbers wholly unnecessary, and, keeping up the spirit of the times, increasing the patronage of those in power. For one, I leave things as they are, rather than vote for this bill!

In 1791 the United States bank was created, and from that period to the time of its expiration, in 1811, the public money was deposited in its vaults. The money was *received*, and *kept*, and disbursed, (and I insist upon it, with the hope of arousing one sober thought upon this subject, and arresting the *machinery* of legislation, that is moved alone by *party* power,) *without the loss of one solitary cent!!* Do gentlemen want a better financial agent than this same United States bank? In all the range of experiments, ever so bold, ever so wild, can they expect to find or devise a scheme to excel, in its financial action, what the plain history of the country points out—an institution that would keep the public money twenty years, as I may confidently affirm, without any loss whatever, waiving, at present, the convenience and *cheapness* of its operations in reception and disbursement, and its most perfect *regulation of exchanges* and all other inferior currencies?

The gentleman from Pennsylvania (C. J. INGERSOLL) himself admitted that the bank of 1791 was a good institution, and commended itself to every man prompted by patriotic considerations, and who looked to and desired a good currency and the disbursement and safe-keeping of public revenue. I fear I shall consume too much time in tracing this history; but I do not know that I can afford any better argument than to appeal to the facts as they have been developed in the progress of our Government; and it is in this historical sense I allude to the United States bank. It is not now before the committee; but I have a right to contrast it with the present scheme proposed in this bill. Proceeding, I state, from 1811 to 1816 there was no United States bank—State banks were again employed as depositaries. This was an embarrassing period of our history, for the treasury was subject to loss on account of the receipts of depreciated State paper, and were to some extent unavailable, or became so after the receipt into the treasury; but after the tariff of 1816, and the recharter of the United States Bank at that date, every thing was regulated and restored to prosperity, and this bank became again the depository of the public revenues, and in truth, the *fact* is fully demonstrated from a mere recital of the history that this institution was the safest, the most convenient, and *cheapest* ever employed by this Government. Gentlemen say this bank is unconstitutional. Well, sir, I shall not be drawn into any argument now upon that subject, but allow myself to make one or two remarks. I regret to have found out that nothing in our legislation is a settled question—no matter how often, how gravely, all the departments of the Government may have sanctioned a particular policy or decided on its constitutionality—still, sir, the spirit of the times, the improvement of the age, the *progressive* wisdom of *politicians* can even with the slightest glance unsettle the precedents and adjudications of the most venerable, patriotic, learned, and wise!! There is a lamentable improvement, increase of wisdom, and assumed ability in this respect! Now, if Gen. Washington, Mr. Madison, and Chief Justice Marshall could have lived in these days of *improvement*, of *phrenology* and *mesmerism*, and the *progressive* (I speak of those only in this committee) could have had a few manipulations at them, certainly the bank never would have been decided TO BE CONSTITUTIONAL!!

But to proceed. How did it happen that this bank did not continue the agent of the Government? Sir, because it was *doomed* and hunted down

by high party and rash excitement. The Secretary of the Treasury was directed to remove the public moneys from its custody—governed by his judgment and his conscience, he refused; and it was at the peril of his place. By arbitrary power he is removed. But a Secretary is found to remove the depositories, and an unceasing war is kept up against this institution. The country adopted the policy of State banks, and they were substituted as depositaries, and encouraged to discount liberally. Mr. Taney, after he became Secretary of the Treasury, said to the Girard bank, “The depositories of the public money will enable you to afford *increased* facilities to commerce, and to *extend your accommodations to individuals, &c.*” I guess the same was said to all the State banks. Why so many State banks, and such an immense increase of circulation in the country? It was to hush the cry of the people for the recharter of the United States Bank, and give the country, as we were told, a “better currency.” I do not say the Federal Government made these banks, but it gave the occasion by its most unwise policy for their increase, and its influence superinduced over-issues of spurious paper, which inflated the price of property—invited to overtrading—misdirected the energies of the country, and as a necessary consequence produced ruin, bankruptcy, and repudiation, not only among individuals, but among State Governments! Let us look at the facts! From 1820 to 1830, there were three hundred and thirty banks in all—being an increase from 1820 to 1830 of only twenty-seven banks, and an increase of capital of about eight millions. The banks in 1830 had about 22 millions of specie—about 61 millions circulation—145 millions capital. This was in a period of ten years. Now take the next seven years of our history as to banks, and you will, in part, see the source of the ruin, bankruptcy, and repudiation which has befallen us. From 1830 to 1837, State banks increased to 634—they had in specie about 37 millions—circulation 149 millions, and in capital 290 millions. Thus, in seven years, increasing the banks 304—more than forty a year, and more than twenty millions of capital per year; but it still got worse, encouraged by the National Administration to *increase* facilities and *extend* accommodations! But the same lesson of history is taught us from the increase of stocks. Why, sir, from 1820 to 1830, about 20 millions of stock were issued—from 1830 to 1837, one hundred and forty-eight (148) millions, or an annual issue of 21 millions!

How was it with our imports and our exports in these same periods? Not at all more favorable, because in eleven years, from 1820 to 1830 inclusive, our imports exceeded our exports only about 37 millions; whereas from 1830 to 1838 inclusive, the imports in a less period of time had exceeded the exports to the large sum of 194 millions of dollars.

Well, what of all this. The attention of the country was thus kept looking to a *promised* and merely apparent state of prosperity, and the United States Bank was overcome.

By the *Federal influence*, and the enemies of the United States Bank, a redundant and spurious currency was thrown upon the country—domestic and foreign commerce extended beyond our means and capacity—the price of labor and the price of property was inflated—we bought more than we sold; and thus was our country, when the bubble bursted and the account

was stated, found unable to pay this debt. Our experience tells us, if there is any one subject of legislation that ought to be steady, uniform, and careful, it is this subject of currency! Just as you may produce the great evils which have been spoken of by increasing the amount of circulation, especially where it is not sound, so you may produce the same effects by contracting the circulation. If you withdraw capital from the avenues of commerce, from all the industrial pursuits of life, you cripple our prosperity, check enterprize, catch the unwary, and produce alike indebtedness and embarrassment. Steady financial movements and legislation in this country, with none of your sudden changes and *experimental* departures from what has been tried, is what we need! This is the true philosophy and principle upon this question. And the true amount of circulation we always may safely risk, is a paper currency always convertible into gold and silver at the pleasure of the holder. But I shall not have time to exhaust this subject. I had intended to show, that to separate the money of the Government from the money of the people, and have two currencies, is as impolitic and unjust as it is ridiculous. There is no way to avoid this conclusion, but by insisting upon an exclusively metallic currency; and if this Subtreasury policy obtains and is forced upon the country, the question remains to be determined, by the experiment, whether the gold and silver will be so far engrossed by the Subtreasurers, and drawn from the banks, as not only to contract their business, but cause them to cease to do business for want of a fair profit. If they retain but a limited specie basis, they must do but a limited business, or deceive the country, and bank upon mere credit. If their specie basis is so much exhausted as to discontinue, the result follows: we have only one currency, and that is gold and silver, mostly in the hands of the Subtreasurers and officers of the Government, and *those officers* under the control of the *Executive*. I shall not press this view, although such are its tendencies, and although it comports perfectly with the opinions of our present Secretary, Mr. Walker, who, when Senator, speaking of this subject of currency, and illustrating his views by referring to the prosperity of Cuba and embarrassment of Mississippi, said: "Why then are we thus embarrassed, while Cuba is so prosperous? No other cause can be assigned, than the bank paper system of the one, and the *solid specie currency* of the other."

Mr. Walker again, "All reason, then, and all experience, are against the banking system, even while the *paper is convertible*; and it ought to be safely and gradually, but ultimately, entirely abandoned." But the same view was also taken by Mr. Buchanan, our present Secretary of State. He (when in the Senate) said, "In Germany, where the *currency* is purely *metallic*, and the price of every thing is reduced to a *hard-money standard*, a piece of broadcloth can be manufactured for fifty dollars, the manufacture of which, in our country, from the expansion of our paper currency, would cost one hundred dollars." Now I deny the proposition, unless the paper is depreciated. It is not true if the paper is convertible at pleasure into gold and silver. But I only mention these things to show that this bill has, in all its tendencies, the most favorable bearing to meet the theory of those who go for the ultimate abandonment of all currencies not gold and silver! Suppose this theory and policy obtain, as impracticable as it now seems, what would be the result. Why, sir, the price of labor and the price of

property would go down, I should think, to the German, the hard-money standard, or partly so. In Germany, common laborers receive, on an average, six pence per day without board. In South Holland, from three to four pence and boarded. In Sweden and France, about six pence per day and board themselves. These are hard-money countries, and hard-money prices. And it is to this beneficent and prosperous state of things the Sub-treasury policy, in its tendencies, will bring us! I invoke no such blessings!! But the question of two currencies presently. Now, labor is at least one of the great elements of all comfort, competency, and prosperity, and if you reduce the price of labor, in the same proportion you must reduce the price of property, every production of the shop and farm, where labor is the element; without which, the farm and the shop will be valueless. What can you produce on your farm without labor, or from your shop without labor—literally nothing. Now there must be a reciprocity, an equality regarded in this country! We are all free—we are all engaged in some enterprise, and it is the business of the legislature to make no distinctions, and give the hand of encouragement to all alike. If so, impartial and just legislation, when it reduces the price of labor, must reduce property upon the same scale, or this doctrine of the Subtreasury will soon classify this country into *laborers* and *capitalists*, as it is in other parts of the world; and the laborer is doomed forever to his miserable position of a daily scanty pittance, and his posterity after him. And unless property and capital descend in price, in a just proportion, this policy will be the very policy I have heard so often repeated upon another subject, “to make the rich richer, and the poor poorer.” Reduce the price of labor one-half, and let property and money that is available stand at its present value, and you thereby, at the same time, in effect, double the value of active available property and money. But, sir, the policy of this bill (and if it is brought into immediate effect it will give itself a practicable illustration of the principle) is to operate upon the debtor class of the community most oppressively; and of that class there is always, unfortunately, a respectable number. If you reduce property, by any change or any policy, one-half, and a man owes half the value of his property before the reduction, to pay his debt afterwards he is stripped of all. The parties are not to blame, but the instability of legislation. Sir, it is at best an unfortunate policy—it has been rejected by the intelligence and moral feeling of the country. It is narrow and selfish in its aims, and has about it a Shylock grasp at all the golden treasures of the country, to be bolted fast in the strong box! There is nothing about it expansive, benevolent, or good. Nothing, sir. It will, with its clinched fist and relentless tread, enter the halls of literature and mansions of benevolence, and there, sir, claim a dividend of that holy pittance that noble hearts have set apart to sustain the literary, moral, and benevolent enterprises of the day. The student must quit the bright path of science—the man of benevolence must be stopped in the pathway of his high and responsible mission, his work of love and mercy!

But, sir, we have said this bill will have the effect (if not to contract the money circulation to an exclusively specie standard, and thereby produce loss, indebtedness, and embarrassment) to produce two currencies. The bill provides that the Government shall not receive, for any purpose, any

thing but gold and silver! If the people are placed upon the same footing, there would be no paper money; so that if the banks continue to exist, they must exist for the people—the Government will have nothing to do with them—will not receive their paper—must be separated from them. Well, I suppose we shall not be reduced to the hard-money standard, and the banks will exist; but I do not believe but there will ensue, by this bill, losses on exchanges and on depreciated paper. If you owe the Government "duties," you must pay in silver. If you enter land, you must pay the silver. Nothing, of all the revenues of the Government, getting to be annually some 25 millions of dollars, will be received in paper. Here is a large demand for specie. The State banks will contract and cautiously keep vaulted their specie, and I ask, then, in this competition for the precious metals, where the ordinary man of business is to get his specie. He must buy it in the market. He must pay from one to 10 per cent. exchange, and, possibly, buy it with a paper good in the neighborhood of the bank, yet, in his hands, depreciated some 10 per cent., more or less. I look for these consequences if the policy of this bill is ever practically carried out, and these losses fall upon the citizen—the small dealer, who is struggling but for a competency. Sir, can any one deny that the Government is not thus, in the exercise of its function, forgetting the high end of its creation, to subserve the people and look to their interests? Can any tolerate the distinction thus created by two currencies? The better, in fact, for the office-holders, and the other for the people. If this is not so, if we are not to have two currencies, even in the estimation of the friends of the bill, why will not the Government receive the money that is received by the people.

The question, at last, is to receiving, disbursing, and keeping the public moneys with *most safety*. Well, sir, I deny that subtreasurers, or individual agents, which is the same thing, can do it as safe or as cheap as banks. I have shown this from the history of the case; but to be more particular, and in confirmation of the safety of banks over individual or subtreasury agency, I will quote from a report made by Mr. Woodbury, Dec. 9th, 1839, showing the losses respectively by these agencies in keeping, receiving, and disbursing the public revenues, from 1789 to 1837:

Total loss by individual agents, including Swartwout and

Price	- - - - -	\$8,270,123	37
Total loss by banks	- - - - -	857,890	85

But not one cent of it by the U. S. Bank, as I verily believe. We have had no Subtreasury except for a short period. But, I ask, what difference there is in Subtreasury agency and individual agency? Is a man purified because you call him a Subtreasury? Now, I take it that the result upon this question, tried by experience, though so long a period of time from our own history confirms the suggestion of our reason, and is conclusive upon the subject. As to the convenience, facilities, and *cheapness* of disbursing the public revenues, no one will contend that the Subtreasury can be as good an agent as was the United States bank. The bank did it without loss and without *pay*, so far as the Government was concerned. But, sir, suppose you had \$27,000 at St. Louis in the hands of your subtreasurer, and wished it disbursed in Wisconsin, your agent cannot receive or pay out anything but gold or silver. Well, what has happened once may happen again.

during the operation of the Subtreasury before, that sum had to be disbursed or transported from and to the places mentioned, and a bill for the services was presented to the Auditor for settlement, and I suppose allowed, for upwards of \$2,500. Suppose this should happen as to any or *all* of the future disbursements of your revenue. Why, sir, in contrast with the agency, that was wholly safe, and cost nothing, the unnecessary expenditure would be foolish, and palpably extravagant! Sir, the influence of the tariff, and the quietude and confidence which has obtained in relation to the present state of the currency in the country, though, in my opinion, not the best, has invited forth the resources, the energy, and enterprise of the country; and it is on account of these resources and energies the country is now contented, and reasonably prosperous. But if you commence again to agitate this question of currency, and unsettle the confidence of the country, repeat your exploded experiments, you will, be assured of it, inflict upon the hopes, the confidence, and prosperity of our common country, a pang, for which you ought and will be held accountable. But who are to be your subtreasurers? Why, sir, besides the head of the Treasury Department, "The treasurer of the mint of the United States, the treasurers, and those acting as such, of various branch mints, all collectors of the customs, all surveyors of the customs acting also as collectors, all receivers general of public moneys, all receivers of public moneys at the general land offices, and all postmasters except as is hereinafter particularly provided, be, and they are hereby, *required* to *keep safely*, without *loaning* or *using*, all the public money collected by them, or otherwise at any time placed in their possession and custody, till the same is ordered by the proper department or officer of the Government to be transferred or paid out." There is the Subtreasury scheme. These agents and others are to handle and hold all the money of the Government; and these agents and this money is to be under the control of the Secretary of the Treasury and Postmaster General; and they are to be under the control of the Executive! Sir, you see, from this section of the bill, (and we shall see further upon this subject,) that this bill does necessarily increase, to a vast extent, the power and patronage of the Government—a power already wrested from the constitutional and original intent, and made the armory of partisan warfare, subverting the very foundation of our Government, and mocking the spirit of our republican institutions. Here I rest the great and final objection to this bill!

In 1834 Mr. Polk, the Richmond Enquirer, the Globe, the whole party that are now for, were all opposed to this measure. It was then not a doubtful measure, but *certainly* wrong and dangerous!

I quote from the Globe to show what was the true Democratic doctrine in 1834: "It is as palpable as the sun, that the effect of the (Subtreasury) scheme would be to bring the *public Treasury* much nearer the actual custody and control of the *President* than it is now, and expose it to be plundered by a hundred hands where one cannot now reach it."

Such was the opinion of the then called Democratic party, in 1834, as to the *safety* of the Subtreasury! And the truth of that doctrine was confirmed by the American people. What was true in 1834 is true in 1846. The people never decided in favor of this scheme, but against it. They have always been opposed to it, and I trust always will; for they know and be-

lieve that it places the public funds in a condition "to be plundered by a hundred hands where one could not now reach them."

But we have democratic authority from "*The Globe*" on another branch of this question, to wit, *Executive power!* I quote it:

"Had such a suggestion come from General Jackson, it would have rung through the Old Dominion as conclusive proof of all the aspirations which may have been charged to the Hero of New Orleans. See here, they would say, he wishes to put the public money directly *into the palms of his friends and partisans*, instead of keeping it on deposit in banks, whence it cannot be drawn for other than public purposes, without certain detection. In such a case we should feel that the people had just cause for alarm, and ought to give their most watchful attention to such an effort to *enlarge Executive power*, and put in its hands the means of *corruption.*"

If the country ought to be alarmed in 1834, why not now? If the people ought then to give the most watchful attention to such an effort as passing the Subtreasury, then and thereby enlarging *Executive power*, why not now? Certainly this is good authority for the gentlemen from Virginia and Pennsylvania. I ask the committee how this could be true in the past and utterly false now? What has produced this change of sentiment? Has circumstances changed? No. This is the same Government—the same Constitution, under which we live. Yes, sir, the same country and people, favored with the *countless blessings* so far, that even the waywardness of progressive democracy, in all its unsteady and inconsistent legislation, has not been so far able to blight them. I, however, charge no evil motive to any party. I ask the reason for this change. I ask gentlemen, what has come over the spirit of their dreams?

Mr. Chairman, this bill is evil in all its effects—it will not only make a difference in currency in favor of officeholders, but place it in the power of the Executive to give place and power to those that the people, honest and patriotic, would refuse to trust either with their money or their other interests. Sir, I take the liberty to say here for my constituents, that if any preference is to be given in legislation, either as it regards currency or privileges, they claim it for themselves, although we have been told the people look for too much from the Government! I have enquired before, why was the Government created? Not for officeholders, but to afford the greatest possible good to the greatest possible number, and in all its influences and consequences to awake the hope and opportunity alike to all of comfort, prosperity, and happiness; and, above all, to make every citizen of the United States feel that he is a freeman, shielded by the Constitution in all his rights, and ready to denounce any encroachment that may be made, even if it is by the highest Executive officer known to the country.

This view of equal rights, no matter about place or position, commends itself to the charity of men's hearts—(a feeling tyrants never felt.) It is the view of that enlarged benevolence which would like to see all prosper by their enterprise and energy, having no distinction or discrimination between one class and another on the part of legislation. But, sir, I intended to pursue this question as to the increase of Executive patronage. We shall find, by a further examination of this bill in the twelfth section, "That the Secretary of the Treasury shall be, and is hereby, authorized to cause examinations to be made of the books, accounts, and money on hand of the several depositaries constituted by this act; and for that purpose to appoint special agents, as occasion may require, with such compensation as he may think reasonable, to be fixed and declared at the time of each

appointment, &c.' Well, sir, I ask you to keep up the notion that it is well settled with the party that the Secretary is bound to obey the Executive or retire, so that these powers conferred by this law on the Secretary or Postmaster General, by no means implies that Executive power is not thereby increased. I ask, also, that you observe that these subtreasurers are at best themselves but special agents, and yet the section of the bill quoted grants the authority to appoint other *special agents* as occasion may require, in number without limitation, and fix their *compensation* himself—that is, you pass a law creating your subtreasurers, and at the same time show your want of confidence in them by allowing the Secretary to appoint special agents or overseers to watch them. I confess to me it amounts to this: By law you appoint a set of agents, and fix their salary to keep the public moneys—then you give the Secretary power to appoint another set, and fix their salaries, to watch the first. This is a theory and application of checks and balances new to me; but suppose there was safety in it, which is not now the point, I ask to what an indefinite extent you would multiply sub-treasurers and "*special agents*," and the expenditure of money?

But to proceed; by examining the fourteenth section, you will ascertain these fiscal agents of the Government may be allowed any necessary additional expenses for clerks, fire proof chest, or vaults, or other *necessary expenses* of safe-keeping, transferring, and disbursing said moneys, &c. Now, sir, look to what an indefinite extent this authority goes, not as to men, for that is limited, but expenditure. Any necessary additional expenses for *clerks, &c.*, (here the patronage is increased,) or other *necessary expenses* of safe-keeping, transferring, and disbursing said moneys. Who can anticipate the amount of expenditure this scheme would bring on the country in receiving, counting, hauling, freighting, and disbursing the moneys of the Government? To comply with the law all the transaction must be done in gold and silver. Now every one knows this is impracticable, unless, (as we have been talking of increasing the Army and Navy,) we raise a new set of troops, and a host of them, for the defences of the Treasury, and these troops and this money, as to its keeping and its keepers, fearfully exposed, if not trembling for fear of that hateful principle of proscription, which is the strength of a reckless and weak administration and guillotine of a party tyrant.

Mr. Chairman, your bill connives at this principle of proscription. You are to appoint four "*receivers-general of public money*," and they are to hold their offices for the term of four years, "*unless sooner removed therefrom*." The tenure of the office is but for the short period of four years, and that tenure is to be contingent, not upon the question—"is he honest, is he faithful, is he competent?" but upon the whim of Executive favor and patronage! The man, sir, is a slave, who will hold the office, and be made responsible for millions with such a contingency hanging over him; when *removal* would at once in party clamor silence explanation, and brand him with dishonesty and dereliction of duty!

It is worth enquiring a word into the extent of this executive patronage and power—not meaning the exercise of that so often misapplied Executive power which is wielded occasionally to sustain party power, and overcome the favorite policy of *the people and their representatives*. By a report of Mr. Calhoun's, made in the Senate, February 9th, 1835, we have a table

appended "showing the persons in the employment and pay of the Executive departments of the Government of the United States in the year 1825 and 1833, respectively specifying the number under each department." I shall give merely the aggregate, shewing both the immense number and the rapidly alarming increase. In 1825 there were 55,777—in 1833, 100,079, and all these subject to be removed, and their places to be filled by a more "hungry swarm." I do not vouch for the exact accuracy of the estimate, but suppose it is as near as may be—then upon that data, if the increase has been in the same proportion, what must be the number now; certainly if the increase from 1825 to 1833 was some 45,000, and the proportion of increase has been kept up, we should have in number now some 165,000, all under the control, not of law, as to the tenure of their office, but under the omnipotent prerogative of Executive power.

Mr. Chairman, you can't, I fear, decrease the number to any considerable extent, for your population is increasing, and will increase rapidly! The boundary of the Republic has been extending, and is to be extended to the Pacific ocean, and but little hope remains for decrease; but, sir, I therefore the more urgently oppose any unnecessary increase of these office-holders, to carry out a measure in itself fraught with mischief, and extending the powers of patronage. For, as Mr. Ritchie, now the editor of the *Union, and Government paper*, said, when he was the editor of the "*Richmond Enquirer*," speaking of this scheme: "Let it once get foot-hold, and all the restraints of the Constitution will be broken down, with the liberties of the people!" This is strong language. I quote it from Mr. Ritchie, who now, with all his party, are for the same scheme. What a change!

But we are to be told, this scheme will not increase the patronage of the Executive so greatly—but few officers will be wanted—you will charge with the duty of subtreasurers other officers now in the service of the Government, and the cost would be inconsiderable. What said Mr. Ritchie upon that subject: "The institution and establishment of subtreasuries, at all the necessary and commercial points in the United States, would cost the Government several millions of dollars. Strong houses, with vaults, chests, bars, bolts, and locks, would be necessary, with a regular corps of watchmen, and an additional set of officers! *To blind the public*, the scheme might be commenced with but few new officers, but they would soon be increased to any number actually necessary." Yes, sir, this scheme will, I fear, ultimately lead to an increase of expenditure and the employment of officers not now anticipated by its friends or its enemies. Let us look at it. The bill provides for a great Subtreasury department in four cities of four of the States only. Now, does not every one know, if this policy finally succeeds, that we shall have, and ought to have, a receiver general and a costly and splendid Subtreasury edifice in almost all, if not every State in the Union.

But I quote Mr. Ritchie once more where he takes general ground and states his positions. I quote them for my fellow-citizens who then agreed with Mr. Ritchie, and make the enquiry if they too have been swept along in the varying tide of party opinion. I quote it to know if the people will not adhere to the position then laid down: "We have objected to the Subtreasury system, so called, that in the first place it will *enlarge* the *Executive*

tive power, already too great for a republic; secondly, that it contributes to endanger the security of the *public funds*; and, thirdly, that it is calculated to produce *two currencies*—a baser one for the People and a better one for the Government.” Enlarge the Executive patronage, already too great. This patronage, in its influences, not only reaches the officeholders that now exist, but it reaches farther, and embraces the countless host of officeseekers who are hanging round the Executive, trying, from selfish motives, to displace those now holding them, or to fill such vacancies as may occur, or such new offices as may be created by law. Such is the wide and indefinite range of this subject, and this power and influence to which we object, and which is to be increased by this bill. I trust the time will some day return when offices shall be considered “as public trusts, to be conferred on the honest, the faithful, and capable, for the common good, and not for the benefit or gain of the incumbent or his party.” In that same able and patriotic report of Mr. Calhoun, February 9th, 1835, from which I have just quoted, I beg leave further to quote: “When offices, instead of being considered as public trusts to be conferred on the deserving, were regarded as the spoils of victory, to be bestowed as rewards for partisan services, without respect to merit—when it became to be understood that all who hold office, hold by the tenure of partisan zeal and party service, it is easy to see that the certain, direct, and inevitable tendency of such a state of things is to convert the entire body of those in office into corrupt and supple instruments of power, and raise up a host of hungry, greedy, and subservient partisans, ready for every service, however base and corrupt.” This is strong and forcible language, but it is the language of a distinguished and talented Democrat, who, I trust, will stand by what he said in that report in his action upon this bill; and I have no doubt, when it comes to be tested, that the resistance of the Subtreasury, and the necessary increase of Executive patronage, will meet the hearty concurrence of the country. The power has been greatly abused in the past, and may be in the future; and I think it is the dictate of wisdom and patriotism to furnish no unnecessary occasion for the exercise of a power so fearful, so rapid in its growth, and so evil in all its tendencies! But, sir, a majority of this committee have determined the question. The bill is to pass. The Subtreasury is again to be created, and not only, sir, your four receivers general, but a long list of officers and expenditures are to follow. Yes, sir, in a few years, not only four, but many receivers general are to be created, and colonels general, and majors general, and a long train of *staff, subalterns, and rank and file*—an army, sir, will be mustered to gather and keep your *golden* revenues for the Government, in exclusion of the people! Well, sir, pass the measure—test the policy of your metallic currency—carry out your Baltimore resolutions—play out your full hand of ultra measures—strike for free-trade—reject the light of experience—get into a war—plunge the country in some 500 millions of debt—bring ruin over the whole land, like a sweeping tempest, and the responsibility before God and the country is your own!!

